

## Analysis of Aurora Holdings VII, LLC's Best & Final Offer:

Transaction Description	Amount
<b>Facility Purchase Price</b>	\$ 30,000,000
Less:	
Broker's Commission - 2.5%	(750,000)
Accrued Employee Leave Transfer (AL / SL / PTO)	(650,000)
County's Share of recordation/transfer tax	(255,000)
Credit for Cost to Complete Rear Parking Lot	(170,000)
Return of Grant & Donations	(248,672)
Insurance - 5 Year Tail Coverage	(159,571)
Add:	
Accounts Receivable Purchase	<u>1,900,000</u>
<b>Net Due from Aurora at Closing</b>	<b>29,666,757</b>
<b>Net Proceeds Available to Redeem Bonds</b>	<b>29,666,757</b>
Escrow Requirements - estimated 5/14/13	(35,259,977)
Closing Costs of Bond Redemption / Sale	<u>(250,114)</u>
<b>Cash Shortfall</b>	<b>\$ (5,843,334)</b>

See Page 2 - Fund Available as Result of Sale

<b>Continued Care Agreement</b>	
Year 1	\$ 3,500,000
Year 2	3,250,000
Year 3	2,250,000
Year 4	<u>1,700,000</u>
<b>Total</b>	<b>\$ 10,700,000</b>

# Estimated Effect on the General Fund FY 14 - 17 Budgets - Potential Sale of CCRC and MAL

	FY 14	FY 15	FY 16	FY 17
<b>Positive Impacts:</b>				
Elimination of transfers to CCRC and MAL *	\$ 2,872,532	\$ 2,137,116	\$ 1,553,204	\$ 702,117
FY 13 Fund Balance from NHC Fund	6,386,018	0	0	0
Property taxes (prorated - FY14)	608,295	729,954	729,954	729,954
Recordation tax from NHC Fund	914,000	942,000	983,000	1,020,000
Elimination of debt service	1,620,839	2,615,486	2,614,604	2,609,859
Interest income from tax revenues	25,000	15,000	15,000	15,000
Estimate of residual equity transfer from MAL	1,383,090	0	0	0
<b>Negative Impacts:</b>				
Elimination of Indirect Cost Recovery *	(839,785)	(856,581)	(873,712)	(891,187)
Proration of (July / August) Rev & Exp *	(181,579)	0	0	0
Elimination of Annual Rent Revenue *	(900,000)	(900,000)	(900,000)	(900,000)
Insurance Recoveries *	(43,273)	(45,437)	(47,708)	(50,094)
Estimate of residual equity transfer from CCRC	(1,524,000)	0	0	0
<b>Funds Available as a Result of Sale</b>	<b>\$ 10,321,137</b>	<b>\$ 4,637,539</b>	<b>\$ 4,074,341</b>	<b>\$ 3,235,650</b>
<b>Aurora Contract Requirements</b>				
Additional amount needed to redeem bonds	5,843,334			
Continued Care Agreement (4 Yr = \$10.7M)	3,500,000	3,250,000	2,250,000	1,700,000
<b>Total Aurora Contract Requirements</b>	<b>9,343,334</b>	<b>3,250,000</b>	<b>2,250,000</b>	<b>1,700,000</b>
<b>Annual Surplus</b>	<b>A \$ 977,803</b>	<b>\$ 1,387,539</b>	<b>\$ 1,824,341</b>	<b>\$ 1,535,650</b>
<b>Cumulative Surplus</b>	<b>\$ 977,803</b>	<b>\$ 2,365,341</b>	<b>\$ 4,189,683</b>	<b>\$ 5,725,332</b>

## Assumptions:

Closing date - 9/1/2013

Nursing Home Construction Fund closes into General Fund at closing date.

\* Items included in prorated July / Aug calculation

## Estimated Cost to Taxpayers - No Sale

	FY 14	FY 15	FY 16	FY 17
<b>Positive Impacts:</b>				
Recordation tax from NHC Fund	914,000	942,000	983,000	1,020,000
Indirect Cost Recovery *	839,785	856,581	873,712	891,187
Annual Rent Revenue *	900,000	900,000	900,000	900,000
Insurance Recoveries *	43,273	45,437	47,708	50,094
<b>Negative Impacts:</b>				
Transfers to CCRC and MAL *	\$ (2,915,134)	\$ (2,137,116)	\$ (1,553,204)	\$ (702,117)
Debt service	(2,606,054)	(2,615,486)	(2,614,604)	(2,609,859)
<b>Annual Cost to Taxpayers Without Sale</b>	<b>B \$ (2,824,130)</b>	<b>\$ (2,008,585)</b>	<b>\$ (1,363,387)</b>	<b>\$ (450,696)</b>
<b>Cumulative Cost to Taxpayers</b>	<b>\$ (2,824,130)</b>	<b>\$ (4,832,715)</b>	<b>\$ (6,196,102)</b>	<b>\$ (6,646,797)</b>
<b>Difference between Annual Surplus/ Cost</b>	<b>(A-B) \$ 3,801,933</b>	<b>\$ 3,396,123</b>	<b>\$ 3,187,728</b>	<b>\$ 1,986,345</b>
<b>Cumulative Difference</b>	<b>\$ 3,801,933</b>	<b>\$ 7,198,056</b>	<b>\$ 10,385,785</b>	<b>\$ 12,372,130</b>